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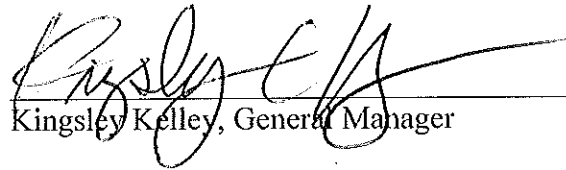
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KTVL 10.2: Southern
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KTVL 10.4 GRIT

We received the attached complaint from a representative of the "Defeat the Tax on Oregon Sales" campaign on 9/30/16 regarding the "Yes on 97 - Numbers" announcement. Attached is the response from the "Yes on 97" organization.

Subsequently, the "Yes on 97" campaign discontinued airing the "Numbers" commercial, effective September 30th.

Signed:



Kingsley Kelley, General Manager

September 30, 2016

Jay T. Waldron
T: 503-796-2945
jwaldron@schwabe.com

RE: Yes on 97

Dear Station Manager:

We represent Defeat the Tax on Oregon Sales, the political committee opposing Measure 97.

We request that your station stop airing Yes On 97's ad entitled **"OREGON'S NUMBERS PROBLEM."**

This ad contains false statements of material fact.

Because a station has the right to decide whether the station will run an ad, if the station is told an ad is false and the station continues to broadcast the ad, the station can be held liable for the false statements. As demonstrated in the discussion below, there is sufficient evidence of the falseness of the Yes On 97's statements available now to require the station to stop airing the ad while the station investigates the statements.

We address the false statements in the order in which they appeared in the ad.

"1 in 10 SENIORS LIVING IN POVERTY"

The statement is false. The proponents substantiate the statement with a citation to census data, but the cited census data is years out-of-date. Current information from the United States Census Bureau shows that 1 in 17 Oregon seniors lives in poverty. The current information is enclosed with this letter.

"OREGON IS LAST IN CORPORATE TAXES"

This statement is false. The analyses cited by Yes On 97 to substantiate the statement are analyses of "business" taxes, not "corporate" taxes. The analysis by Anderson Economic Group ("Anderson") is available here:
http://www.andersoneconomicgroup.com/Portals/0/AEG%20Tax%20Burden%20Study_2016_FINAL.pdf.

The analysis by Ernst & Young is available here:
<http://www.ocpp.org/media/uploads/documents/2014/cost-2014-FY13-taxes.pdf>.

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The difference between “business” and “corporate” taxes is material because “corporate” taxes are a small subset of “business” taxes. In fact, the Anderson report at page 5 is careful to explain that its analysis should not be taken, as Yes On 97 has, as a statement about corporate taxation:

[T]he corporate income tax is often seen as the most important state or local tax on businesses. However * * * of the 11 categories of state and local taxes we identify, corporate income taxes account for under 10% of the total tax burden for all states combined.

This distinction is important. Oregon’s “business” tax burden may be the lowest in the country (according to the Anderson and Ernst & Young analyses) not because “corporate” taxes are low, but, rather, because Oregon does not have a general sales tax that everyone pays. It is the absence of a sales tax that drives Oregon’s “business” ranking, not low “corporate taxes.” The Anderson analysis at page 6 emphasizes this point: “Oregon has no general sales tax, but otherwise is not among the ten lowest-burden states in any particular tax category.”

Exhibit II to the Anderson Economic Group analysis, a copy of which is enclosed, substantiates that Oregon does not have low—let alone the lowest—corporate taxes. Corporations pay the State of Oregon more taxes than corporations pay many other states. For example, despite Oregon’s being a much smaller than Ohio, corporations pay Oregon more than twice the amount of taxes corporations pay Ohio.

This information is consistent with analyses that focus on corporate taxation. According to *The Tax Foundation: State Corporate Income Tax Rates and Brackets for 2016* (which can be accessed at <http://taxfoundation.org/article/state-corporate-income-tax-rates-and-brackets-2016>), Oregon corporate taxes rank in the middle of the pack among states. Six states have no corporate income tax. North Carolina has the lowest top rate for corporate taxpayers at 4%. Iowa has the highest at 12%. Oregon’s top rate is 7.6%. Thus, the statement that Oregon has the lowest corporate tax rate is false.

“With Oregon’s corporate taxes lowest in the nation, large and out-of-state corporations, like Comcast and Chevron, pay almost nothing.”

This statement is false. Yes On 97’s ad does not cite any authentication for the statement, presumably because there is none. According to Exhibit II to the Anderson report, corporations paid \$558 million in corporate taxes to Oregon in 2014. Even if the corporate taxes considered are limited to the taxes paid by corporations that would be subject to Measure 97, according to Oregon’s Legislative Revenue Office, affected corporations paid over \$335 million to Oregon in 2013. Regardless of whether one considers the \$558 million paid to Oregon or the \$335 million paid to Oregon, it is false to state that large and out-of-state corporations “pay almost nothing.”

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"Measure 97 forces corporations with over \$25 million in Oregon sales to pay their fair share"

This statement is false because it is materially under-inclusive. Measure 97 applies only to one kind of corporation--"certain C corporations."

http://www.oregonlive.com/politics/index.ssf/2016/08/faq_oregons_corporate_tax_meas.html.

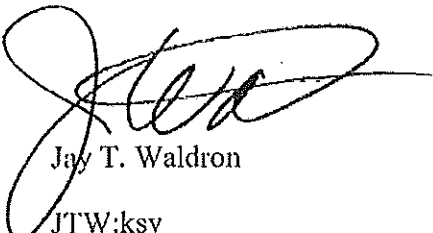
According to Oregon's Legislative Revenue Officer, there are hundreds of other kinds of corporations with over \$25 million in Oregon sales paying taxes in Oregon: "[w]e do have data on the Oregon sales of S-Corps. There were about 500 of them in the 2013 tax year that had sales greater than \$25 million." The statement could thus be accurate only if the statement referred to forcing "some" corporations to pay.

Thank you for your consideration. Please let us know if you have any questions or need additional information.

If Yes On 97 responds to the station's investigation of the statements, we would appreciate receiving a copy of the response. Given Yes On 97's use of out-of-date information and mischaracterization of sources, we suggest it would be prudent to vet any substantiating information Yes On 97 provides.

Sincerely,

SCHWABE, WILLIAMSON & WYATT, P.C.



Jay T. Waldron

JTW:ksy
Enclosures

POV46: Poverty Status by State: 2015

Below 100% and 50% of Poverty -- People 65 Years and Over

Data are based on the CPS ASEC sample of 68,000 addresses. see footnote.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www2.census.gov/programs-surveys/cps/techdocs/cpsmar16.pdf

Source: U.S. Census Bureau, Current Population Survey, 2016 Annual Social and Economic Supplement.

(Numbers in thousands. Standard errors calculated using replicate weights. Use caution when interpreting state-level estimates, because they have high variability. Please observe the size of the standard errors when interpreting the data -- the larger the standard error, the less reliable the estimate.)

People 65 Years and Over

SAMPLE PERSON COUNT

	All income levels	Below 100% of poverty (5)				Below 50% of poverty (5)			
		Number	Standard error (19)	Percent	Standard error (19)	Number	Standard error (19)	Percent	Standard error (19)
United States	23,697	2,359	(N/A)	10.0	(N/A)	777	(N/A)	3.3	(N/A)
Alabama	454	63	(N/A)	13.9	(N/A)	22	(N/A)	4.8	(N/A)
Alaska	226	18	(N/A)	8.0	(N/A)	8	(N/A)	3.5	(N/A)
Arizona	394	42	(N/A)	10.7	(N/A)	10	(N/A)	2.5	(N/A)
Arkansas	435	47	(N/A)	10.8	(N/A)	19	(N/A)	4.4	(N/A)
California	2,058	226	(N/A)	11.0	(N/A)	75	(N/A)	3.6	(N/A)
Colorado	253	11	(N/A)	4.3	(N/A)	2	(N/A)	0.8	(N/A)
Connecticut	226	6	(N/A)	2.7	(N/A)	0	(N/A)	0.0	(N/A)
Delaware	276	33	(N/A)	12.0	(N/A)	17	(N/A)	6.2	(N/A)
District of Columbia	437	63	(N/A)	14.4	(N/A)	30	(N/A)	6.9	(N/A)
Florida	1,395	166	(N/A)	11.9	(N/A)	40	(N/A)	2.9	(N/A)
Georgia	464	62	(N/A)	13.4	(N/A)	17	(N/A)	3.7	(N/A)
Hawaii	559	50	(N/A)	8.9	(N/A)	25	(N/A)	4.5	(N/A)
Idaho	332	25	(N/A)	7.5	(N/A)	8	(N/A)	2.4	(N/A)
Illinois	635	50	(N/A)	7.9	(N/A)	15	(N/A)	2.4	(N/A)
Indiana	369	39	(N/A)	10.6	(N/A)	11	(N/A)	3.0	(N/A)
Iowa	239	24	(N/A)	10.0	(N/A)	8	(N/A)	3.3	(N/A)
Kansas	237	25	(N/A)	10.5	(N/A)	6	(N/A)	2.5	(N/A)
Kentucky	308	51	(N/A)	16.6	(N/A)	12	(N/A)	3.9	(N/A)
Louisiana	517	89	(N/A)	17.2	(N/A)	36	(N/A)	7.0	(N/A)
Maine	231	16	(N/A)	6.9	(N/A)	0	(N/A)	0.0	(N/A)
Maryland	263	20	(N/A)	7.6	(N/A)	5	(N/A)	1.9	(N/A)
Massachusetts	445	43	(N/A)	9.7	(N/A)	12	(N/A)	2.7	(N/A)
Michigan	539	34	(N/A)	6.3	(N/A)	9	(N/A)	1.7	(N/A)
Minnesota	287	21	(N/A)	7.3	(N/A)	4	(N/A)	1.4	(N/A)

	All income levels	Below 100% of poverty (5)				Below 50% of poverty (5)			
		Number	Standard error (19)	Percent	Standard error (19)	Number	Standard error (19)	Percent	Standard error (19)
Mississippi	459	69	(N/A)	15.0	(N/A)	18	(N/A)	3.9	(N/A)
Missouri	328	26	(N/A)	7.9	(N/A)	9	(N/A)	2.7	(N/A)
Montana	525	30	(N/A)	5.7	(N/A)	6	(N/A)	1.1	(N/A)
Nebraska	252	13	(N/A)	5.2	(N/A)	6	(N/A)	2.4	(N/A)
Nevada	310	25	(N/A)	8.1	(N/A)	9	(N/A)	2.9	(N/A)
New Hampshire	307	24	(N/A)	7.8	(N/A)	6	(N/A)	2.0	(N/A)
New Jersey	474	42	(N/A)	8.9	(N/A)	14	(N/A)	3.0	(N/A)
New Mexico	576	76	(N/A)	13.2	(N/A)	28	(N/A)	4.9	(N/A)
New York	1,080	126	(N/A)	11.7	(N/A)	42	(N/A)	3.9	(N/A)
North Carolina	488	52	(N/A)	10.7	(N/A)	20	(N/A)	4.1	(N/A)
North Dakota	285	29	(N/A)	10.2	(N/A)	7	(N/A)	2.5	(N/A)
Ohio	565	50	(N/A)	8.8	(N/A)	20	(N/A)	3.5	(N/A)
Oklahoma	374	42	(N/A)	11.2	(N/A)	20	(N/A)	5.3	(N/A)
Oregon	306	18	(N/A)	5.9	(N/A)	7	(N/A)	2.3	(N/A)
Pennsylvania	745	53	(N/A)	7.1	(N/A)	15	(N/A)	2.0	(N/A)
Rhode Island	212	17	(N/A)	8.0	(N/A)	6	(N/A)	2.8	(N/A)
South Carolina	413	42	(N/A)	10.2	(N/A)	19	(N/A)	4.6	(N/A)
South Dakota	206	24	(N/A)	11.7	(N/A)	6	(N/A)	2.9	(N/A)
Tennessee	455	46	(N/A)	10.1	(N/A)	18	(N/A)	4.0	(N/A)
Texas	1,253	141	(N/A)	11.3	(N/A)	40	(N/A)	3.2	(N/A)
Utah	244	18	(N/A)	7.4	(N/A)	9	(N/A)	3.7	(N/A)
Vermont	308	20	(N/A)	6.5	(N/A)	4	(N/A)	1.3	(N/A)
Virginia	421	38	(N/A)	9.0	(N/A)	17	(N/A)	4.0	(N/A)
Washington	413	26	(N/A)	6.3	(N/A)	6	(N/A)	1.5	(N/A)
West Virginia	549	41	(N/A)	7.5	(N/A)	9	(N/A)	1.6	(N/A)
Wisconsin	308	20	(N/A)	6.5	(N/A)	9	(N/A)	2.9	(N/A)
Wyoming	262	27	(N/A)	10.3	(N/A)	16	(N/A)	6.1	(N/A)

Exhibit B. State and Local Taxes Paid by Business, FY 2014

(Amount in thousands)

State	Property Tax	Motor Fuel Excise Tax	Public Utilities Sales Tax	Other Selective Sales Tax	Corporate Income Tax	License Fees	Unemployment compensation	Individual income tax on post-bru business income	Severance	Gross Receipts Taxes	General Sales Taxes	Total Taxes Paid by Business
United States	\$ 269,846,928	\$ 8,932,466	\$ 24,372,011	\$ 22,020,983	\$ 54,234,735	\$ 35,244,171	\$ 45,986,103	\$ 29,131,982	\$ 17,951,402	\$ 6,549,914	\$ 126,864,696	\$ 641,931,967
Alabama	\$ 1,928,264	\$ 145,407	\$ 781,835	\$ 321,992	\$ 426,408	\$ 459,219	\$ 343,686	\$ 314,493	\$ 175,763	\$ -	\$ 1,383,949	\$ 6,209,008
Alaska	\$ 1,042,401	\$ 13,812	\$ 7,181	\$ 37,165	\$ 408,928	\$ 73,617	\$ 236,266	\$ -	\$ 2,437,397	\$ -	\$ -	\$ 4,276,777
Arizona	\$ 4,644,637	\$ 228,223	\$ 205,383	\$ 122,352	\$ 575,180	\$ 307,665	\$ 455,979	\$ 348,928	\$ 26,190	\$ -	\$ 2,585,284	\$ 9,559,841
Arkansas	\$ 1,351,500	\$ 140,291	\$ 146,445	\$ 136,741	\$ 398,493	\$ 296,823	\$ 421,348	\$ 239,823	\$ 108,511	\$ -	\$ 1,663,904	\$ 4,855,344
California	\$ 28,011,740	\$ 346,420	\$ 3,875,825	\$ 2,287,200	\$ 6,838,498	\$ 6,916,625	\$ 5,471,051	\$ 8,393,076	\$ 38,695	\$ -	\$ 16,829,512	\$ 80,991,661
Colorado	\$ 4,903,577	\$ 135,393	\$ 155,392	\$ 468,254	\$ 717,506	\$ 348,207	\$ 732,578	\$ 542,946	\$ 251,353	\$ -	\$ 2,238,161	\$ 10,433,367
Connecticut	\$ 4,838,211	\$ 147,665	\$ 315,287	\$ 492,600	\$ 627,358	\$ 216,647	\$ 834,796	\$ 929,369	\$ -	\$ -	\$ 1,922,330	\$ 10,324,263
Delaware	\$ 436,245	\$ 14,029	\$ 64,271	\$ 43,240	\$ 453,280	\$ 73,398	\$ 141,760	\$ 83,600	\$ -	\$ -	\$ -	\$ 2,590,380
District of Columbia	\$ 14,650,327	\$ 481,916	\$ 4,430,684	\$ 737,114	\$ 2,043,750	\$ 1,678,563	\$ 1,369,896	\$ 290,603	\$ 49,100	\$ -	\$ 608,110	\$ 3,398,061
Florida	\$ 7,182,668	\$ 212,341	\$ 331,534	\$ 293,021	\$ 943,806	\$ 420,533	\$ 686,531	\$ 871,951	\$ -	\$ -	\$ 3,081,998	\$ 14,024,433
Georgia	\$ 944,239	\$ 16,124	\$ 328,921	\$ 232,402	\$ 126,045	\$ 91,263	\$ 353,546	\$ 163,248	\$ -	\$ -	\$ 1,444,194	\$ 3,699,982
Hawaii	\$ 867,763	\$ 66,631	\$ 26,357	\$ 32,924	\$ 190,002	\$ 177,348	\$ 247,802	\$ 177,644	\$ 6,004	\$ -	\$ 445,198	\$ 2,257,673
Idaho	\$ 12,047,378	\$ 394,538	\$ 2,807,745	\$ 1,731,910	\$ 4,234,646	\$ 1,338,265	\$ 2,643,591	\$ 1,286,113	\$ -	\$ -	\$ 2,347,893	\$ 29,539,481
Illinois	\$ 4,264,089	\$ 222,336	\$ 358,430	\$ 538,440	\$ 866,747	\$ 219,716	\$ 930,328	\$ 496,391	\$ 2,500	\$ -	\$ -	\$ 10,266,860
Indiana	\$ 2,473,286	\$ 137,750	\$ 197,289	\$ 36,020	\$ 388,699	\$ 377,922	\$ 471,738	\$ 341,767	\$ -	\$ -	\$ 1,202,253	\$ 5,639,025
Iowa	\$ 2,683,177	\$ 131,631	\$ 221,819	\$ 40,681	\$ 330,181	\$ 218,027	\$ 401,671	\$ 264,380	\$ 124,883	\$ -	\$ 1,360,056	\$ 5,775,407
Kansas	\$ 1,917,304	\$ 225,637	\$ 363,038	\$ 803,325	\$ 338,443	\$ 503,817	\$ 391,032	\$ 456,263	\$ -	\$ -	\$ 3,208,288	\$ 9,326,164
Kentucky	\$ 3,103,860	\$ 134,341	\$ 190,709	\$ 179,703	\$ 481,212	\$ 467,031	\$ 242,603	\$ 141,043	\$ -	\$ -	\$ 327,940	\$ 2,585,132
Louisiana	\$ 1,477,790	\$ 45,790	\$ 39,428	\$ 66,628	\$ 182,928	\$ 140,244	\$ 163,341	\$ 1,075,763	\$ -	\$ -	\$ 1,452,163	\$ 10,409,769
Maine	\$ 4,033,178	\$ 133,092	\$ 672,703	\$ 894,490	\$ 982,784	\$ 504,538	\$ 658,998	\$ 1,379,585	\$ -	\$ -	\$ 1,966,459	\$ 15,221,698
Maryland	\$ 6,789,965	\$ 96,436	\$ 23,756	\$ 494,758	\$ 2,194,620	\$ 458,120	\$ 1,855,020	\$ 701,948	\$ -	\$ -	\$ 2,354,674	\$ 14,073,646
Massachusetts	\$ 6,843,579	\$ 131,767	\$ 79,941	\$ 684,111	\$ 881,011	\$ 508,273	\$ 1,809,854	\$ 941,925	\$ 73,488	\$ -	\$ 2,060,467	\$ 12,738,980
Michigan	\$ 5,085,742	\$ 105,122	\$ 46,309	\$ 213,964	\$ 1,315,762	\$ 640,833	\$ 1,155,191	\$ 175,047	\$ 45,151	\$ -	\$ 1,079,977	\$ 4,886,941
Minnesota	\$ 3,304,023	\$ 169,248	\$ 475,879	\$ 132,595	\$ 428,800	\$ 366,801	\$ 398,024	\$ 590,380	\$ 305,614	\$ -	\$ 1,836,326	\$ 8,127,771
Missouri	\$ 987,545	\$ 68,763	\$ 47,390	\$ 27,599	\$ 150,139	\$ 169,666	\$ 163,737	\$ 158,741	\$ -	\$ -	\$ 902,734	\$ 2,057,542
Montana	\$ 2,133,212	\$ 111,281	\$ 136,853	\$ 12,065	\$ 306,591	\$ 180,953	\$ 120,717	\$ 237,431	\$ 111,395	\$ -	\$ 1,402,900	\$ 5,162,322
Nebraska	\$ 1,849,788	\$ 93,606	\$ 266,238	\$ 207,649	\$ 542,847	\$ 633,627	\$ 537,120	\$ 6,801	\$ -	\$ -	\$ -	\$ 2,877,181
Nevada	\$ 1,735,183	\$ 17,665	\$ 69,877	\$ 175,556	\$ 542,847	\$ 175,220	\$ 154,223	\$ -	\$ -	\$ -	\$ -	\$ -
New Hampshire	\$ 11,075,501	\$ 110,312	\$ 1,083,155	\$ 360,032	\$ 2,768,868	\$ 965,479	\$ 2,879,038	\$ 1,268,638	\$ -	\$ -	\$ 2,970,941	\$ 23,181,164
New Jersey	\$ 834,327	\$ 92,961	\$ 101,670	\$ 91,383	\$ 205,702	\$ 144,143	\$ 215,699	\$ 116,623	\$ -	\$ -	\$ 1,647,534	\$ 4,517,385
New Mexico	\$ 20,353,253	\$ 311,100	\$ 1,662,194	\$ 3,297,112	\$ 11,491,187	\$ 699,152	\$ 2,440,619	\$ 5,618,110	\$ -	\$ -	\$ 11,055,856	\$ 65,935,584
New York	\$ 4,929,334	\$ 364,337	\$ 403,194	\$ 464,973	\$ 1,360,628	\$ 1,110,154	\$ 1,620,455	\$ 906,659	\$ 1,776	\$ -	\$ 2,397,675	\$ 13,559,085
North Carolina	\$ 500,497	\$ 107,040	\$ 50,869	\$ 90,250	\$ 250,438	\$ 122,810	\$ 135,701	\$ 66,139	\$ 3,294,656	\$ -	\$ -	\$ 5,521,576
North Dakota	\$ 6,634,905	\$ 438,102	\$ 1,148,047	\$ 442,914	\$ 241,332	\$ 2,350,714	\$ 1,155,627	\$ 1,125,023	\$ 679,406	\$ -	\$ 1,705,963	\$ 18,268,028
Ohio	\$ 1,127,809	\$ 117,226	\$ 213,732	\$ 109,872	\$ 397,290	\$ 525,079	\$ 383,599	\$ 377,271	\$ 10,194	\$ -	\$ 23,424	\$ 5,637,256
Oklahoma	\$ 2,844,146	\$ 131,015	\$ 331,269	\$ 334,802	\$ 558,406	\$ 591,027	\$ 1,047,160	\$ 1,259,038	\$ -	\$ -	\$ 3,046,831	\$ 6,257,978
Oregon	\$ 7,924,788	\$ 635,156	\$ 1,444,337	\$ 659,372	\$ 2,673,184	\$ 2,176,947	\$ 2,900,976	\$ 1,259,038	\$ -	\$ -	\$ 1,601,434	\$ 24,272,184
Pennsylvania	\$ 1,457,805	\$ 15,657	\$ 105,296	\$ 119,871	\$ 120,112	\$ 69,704	\$ 264,158	\$ 107,393	\$ -	\$ -	\$ 301,452	\$ 2,561,447
Rhode Island	\$ 4,013,627	\$ 112,387	\$ 92,969	\$ 199,188	\$ 327,809	\$ 661,830	\$ 480,093	\$ 329,277	\$ -	\$ -	\$ 1,118,068	\$ 7,335,248
South Carolina	\$ 611,621	\$ 45,913	\$ 14,129	\$ 48,072	\$ 24,819	\$ 187,092	\$ 46,016	\$ -	\$ 4,950	\$ -	\$ 68,787	\$ 1,674,488
South Dakota	\$ 3,238,087	\$ 166,063	\$ 73,934	\$ 386,103	\$ 1,176,971	\$ 1,245,997	\$ 370,752	\$ 21,521	\$ 5,853	\$ -	\$ 2,655,258	\$ 9,340,557
Tennessee	\$ 27,038,834	\$ 943,756	\$ 2,261,291	\$ 3,771,589	\$ 1,767,989	\$ 2,532,273	\$ 2,532,273	\$ 6,014,350	\$ -	\$ -	\$ 17,792,422	\$ 61,206,575
Texas	\$ 1,766,452	\$ 104,540	\$ 150,419	\$ 193,286	\$ 307,910	\$ 142,897	\$ 356,396	\$ 295,368	\$ 155,743	\$ -	\$ 742,597	\$ 4,215,593
Utah	\$ 740,155	\$ 24,680	\$ 24,512	\$ 193,312	\$ 105,817	\$ 40,049	\$ 143,987	\$ 71,728	\$ -	\$ -	\$ 106,887	\$ 1,452,129
Vermont	\$ 6,999,779	\$ 221,606	\$ 611,106	\$ 933,516	\$ 740,511	\$ 1,184,768	\$ 754,192	\$ 963,503	\$ -	\$ -	\$ 1,995,479	\$ 13,946,549
Virginia	\$ 4,809,557	\$ 225,273	\$ 1,173,192	\$ 524,763	\$ 203,508	\$ 829,553	\$ 1,330,732	\$ -	\$ 55,645	\$ -	\$ 4,680,139	\$ 16,895,119
Washington	\$ 1,207,795	\$ 183,464	\$ 254,763	\$ 254,763	\$ 203,508	\$ 199,108	\$ 270,784	\$ 116,096	\$ 682,579	\$ -	\$ 535,220	\$ 3,886,650
West Virginia	\$ 5,622,013	\$ 234,637	\$ 379,549	\$ 275,415	\$ 986,464	\$ 643,500	\$ 1,249,611	\$ 699,810	\$ -	\$ -	\$ 1,605,086	\$ 11,709,690
Wisconsin	\$ 1,967,756	\$ 51,725	\$ 32,047	\$ 13,506	\$ -	\$ 90,670	\$ 126,491	\$ -	\$ 883,025	\$ -	\$ 570,748	\$ 2,798,968

Source: AEG Estimates, using base data from U.S. Census of Governments State and Local Finance Survey and other federal and state sources. See Methodology Appendix for complete source list.

Analysis: Anderson Economic Group, LLC

Note: Due to the nature of New Mexico's gross receipts tax, we show it here as a general sales tax and determine the amount paid by business using the same method as for general sales taxes in other states.

Note: Pennsylvania's unemployment compensation was collected from the state's Comprehensive Annual Financial Report, due to census figures recording bond revenue as tax revenue

Distribution among Corporate Taxpayers

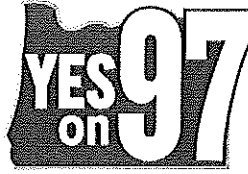
Based on corporate income tax return data from the Department of Revenue, we are able to estimate how the distribution of the direct corporate tax burden would be affected by Measure 97 based on both Oregon sales and industry category.

Table 3: Corporate Taxes under Current Law (2013) and Measure 97 Based on Oregon Sales

Oregon Sales	Number of Filers	Current Law		Measure 97	
		Tax Under Current Law (millions)	Percent of Total Corporate Taxes	Tax Under Measure 97 (millions)	Percent of Total Corporate Taxes
< \$500,000	17,809	\$10.2	2.2%	\$10.2	0.4%
\$500,000 to \$1 million	3,016	\$6.5	1.4%	\$6.5	0.2%
\$1 to \$2 million	2,570	\$12.4	2.7%	\$12.4	0.4%
\$2 to \$3 million	1,227	\$6.9	1.5%	\$6.9	0.2%
\$3 to \$5 million	1,309	\$11.2	2.4%	\$11.2	0.4%
\$5 to \$7 million	727	\$12.2	2.6%	\$12.2	0.4%
\$7 to \$10 million	658	\$15.0	3.3%	\$15.0	0.5%
\$10 to \$25 million	1,108	\$51.0	11.1%	\$51.0	1.8%
\$25 to \$50 million	491	\$54.5	11.8%	\$148.1	5.2%
\$50 to \$75 million	189	\$39.1	8.5%	\$178.7	6.2%
\$75 to \$100 million	97	\$29.0	6.3%	\$150.8	5.2%
> \$100 million	274	\$213.0	46.2%	\$2,273.0	79.0%
Total	29,475	\$461.1	100.0%	\$2,876.0	100.0%

Source: Oregon Department of Revenue/ LRO Calculations

Overlaying Measure 97's corporate minimum tax structure on the 2013 tax returns indicates that corporations would have paid approximately \$2.9 billion in taxes instead of the \$461 million they actually paid under current law. Corporations with Oregon sales less than \$25 million would have paid the same amount as current law. Their share of total corporate taxes would fall from 27.2% to 4.4%. Corporations with Oregon sales greater than \$25 million would incur the full \$2.4 billion increase in corporate taxes. The share of corporate taxes paid by the 274 filers with sales above \$100 million would increase from 46.2% to 79.0%. The tax increase resulting from Measure 97 is expected to be heavily concentrated on a relatively small number of corporate taxpayers. 66% of the tax increase is expected to fall on the 100 largest taxpayers, while the top 50 taxpayers account for 51% of the increase.



Title: "Numbers"
 Type: TV
 Date: 9/14/2016

Claim	Backup
VO: Oregon has a numbers problem.	
Two hundred and eighty thousand uninsured	US Census Bureau, <u>Health Insurance Coverage in the United States: 2015, Current Population Reports</u> , September 2016 Table A-1, Population with Health Insurance Coverage by State: 2013 to 2015. ¹
... the fourth lowest high school graduation rate	National Center for Education Statistics, Common Core of Data, Table 1, School Year 2013-14 Oregon has a 79% graduation rate in a table of public high school 4-year adjusted cohort graduation rate (ACGR), by race/ethnicity and selected demographics for the United States, the 50 states, and the District of Columbia: School year 2013-14. ²
... one in ten seniors in poverty.	U.S. Census Bureau, <u>2009-2014 American Community Survey 5-Year Estimates</u> In 2014, 55,000 Oregon seniors were living below the federal poverty line, or 1 in 10. ³
One reason? With Oregon's corporate taxes lowest in the nation...	State Business Tax Burden Rankings Report, Anderson Economic Group, 2016 "In addition, Oregon and North Carolina

¹ US Census Bureau, Health Insurance Coverage in the United States: 2015, Current Population Reports, September 2016, p.25

² National Center for Education Statistics, Common Core of Data, Table 1, School Year 2013-14

³ U.S. Census Bureau, 2009-2014 American Community Survey 5-Year Estimates

	<p>had the lowest tax burden on business..."⁴</p> <p><u>Total state and local business taxes, state by state estimates for fiscal year 2014</u>, Ernst & Young, October 2015</p> <p>"Connecticut and Oregon had the lowest total effective business tax (TEBTR) on gross state product (GSP) at 3.4%"⁵</p> <p>"On the other end of the spectrum, North Carolina, Oregon, Connecticut and Maryland have low ratios of tax collections to GSP."⁶</p>
<p>... large and out-of-state corporations like Comcast and Chevron pay almost nothing.</p> <p>ALT: ... large and out-of-state corporations pay almost nothing.</p>	<p><u>Corporate Tax Dodging in the Fifty States, 2008-2010</u>, Citizens for Tax Justice, December 2011</p> <p>"68 of the 265 companies managed to pay no state income tax at all in at least one year from 2008 through 2010, despite telling their shareholders they made almost \$117 billion in pretax U.S. profits in those no-tax years. 16 of these companies enjoyed multiple no-tax years."⁷</p> <p>Comcast and Chevron are listed in a chart of state income taxes for 265 Major Corporations, 2008–2010, by 3-year tax rate (in \$-millions).⁸</p> <p>Comcast Form 10-K, <u>Annual Report</u>, February 5, 2016</p> <p>In 2015, Comcast reported \$570 million in current state income tax, which comes to an effective 0.77% state and local tax rate.</p>

⁴ State Business Tax Burden Rankings Report, Anderson Economic Group, 2016

⁵ Total state and local business taxes, state by state estimates for fiscal year 2014, Ernst & Young, October 2015, p.11

⁶ Total state and local business taxes, state by state estimates for fiscal year 2014, Ernst & Young, October 2015, p.12

⁷ Corporate Tax Dodging in the Fifty States, 2008-2010, Citizens for Tax Justice, December 2011, p.1

⁸ Corporate Tax Dodging in the Fifty States, 2008-2010, Citizens for Tax Justice, December 2011, p.14 and 16

	<p>They reported \$8.2 billion in after-tax profits on \$74.5 billion in revenue.⁹</p> <p>Chevron Form 10-K, <u>Annual Report</u>, 2015</p> <p>In 2015, Chevron reported negative \$187 million in current state and local income tax and \$4.6 billion in after-tax profits on \$138 billion in revenue. Chevron had an effective state and local tax rate of -0.2% on its revenue last year.¹⁰</p>
<p>Measure Ninety Seven forces corporations with over twenty-five million in Oregon sales to pay their fair share.</p> <p>To fund education, healthcare, and senior services.</p>	
<p>It adds up to a better Oregon.</p> <p>Paid for by Yes on 97.</p>	

⁹ Comcast Form 10-K, Annual Report, February 5, 2016, p.40 and 107

¹⁰ Chevron Form 10-K, Annual Report, 2015, p.53 and 68